



# Public Service Commission of Wisconsin

Eric Callisto, Chairperson  
Mark Meyer, Commissioner  
Lauren Azar, Commissioner

610 North Whitney Way  
P.O. Box 7854  
Madison, WI 53707-7854

Public Service Commission of Wisconsin  
RECEIVED: 07/30/10, 2:55:13 PM

June 21, 2010 – VIA E-MAIL

Mr. Robert Kaufman, Accountant  
Windsor Sanitary District Number 1  
P.O. Box 432  
DeForest, WI 53532  
E-mail: kaufmanr@mbegcpas.com

Re: Application to Increase Water Rates

6570-WR-103

Dear Mr. Kaufman:

The Public Service Commission (Commission) staff has analyzed your application for a water rate increase. The application was received on December 8, 2009. A proposed staff exhibit has been prepared, a copy of which is enclosed. The exhibit contains schedules showing staff's proposed revenue requirement, cost-of-service analysis, and proposed rates.

We intend to submit our proposal at the public hearing. The hearing will be scheduled at a later date and you will be notified of the hearing date under separate cover. At least one person must represent your utility at the hearing.

We have used a 4.35 percent rate of return on the estimated water utility net investment rate base for the test year 2010, as recommended by our staff auditor. The proposed rates would increase annual revenues from water public utility service by an estimated \$85,142, of which \$40,333 would be from general service customers and \$44,809 would be from the public fire protection charge.

The increase in water utility revenues results because of a 311 percent increase in gross plant investment and a 158 percent increase in operating expenses since your last water rate case in 1996. The rates authorized in your last rate case were adjusted for inflation through the Simplified Rate case (SRC) Process in 1998, 2000, 2002, 2006, 2007, and 2008.

As requested, proposed rates in Schedule 13 provide for recovering \$92,000 of the total annual \$160,000 cost for debt service through tax levy.

We have selected some customers for comparison of proposed and present rates (see Schedule 14 of enclosed staff exhibit).

Our proposed charge for public fire protection provides an increase of approximately 69 percent compared to a 25 percent increase in general service rates. The larger percentage increase for public fire protection results because a greater proportion of the annual operating costs is

Mr. Robert Kaufman  
Docket 6570-WR-103  
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allocated to fire protection than was allocated at the time of your last rate proceeding. This is based on current ratios of maximum general service demand to available fire protection capacity. We believe the larger percentage increase in the public fire protection charge is reasonable in that it reflects the cost of providing service.

The depreciation expense included in the revenue requirement was computed using the water depreciation rates on the enclosed Schedule 15. When the order is issued in this docket, these rates will be certified for use by your utility effective January 1, 2010.

We are recommending to the Commission that your water utility's filed rules and regulations be updated in order to reflect the latest requirements in Wis. Admin. Code ch. PSC 185. A copy is enclosed.

In addition, we are suggesting a revision to your water main extension rule which would reduce the time period from 20 years to 10 years to require contributions from (1) customers connecting to a utility-financed water transmission main or connecting loop or (2) additional customers connecting to a customer-financed water main extension, with the required contribution being refunded to the original contributor(s).

The proposed staff exhibit is intended to give the Commission the staff's viewpoint and is in no way absolute. The utility has the prerogative to present its own case. It may be advantageous to the utility to submit additional information which is believed to be pertinent to substantiate its position. Please note that the Commission will base its decision on the merits of the case.

If you have any questions, please call me at (608) 266-2029.

Sincerely,

*/s/Vishwa M. Kashyap*

Vishwa M. Kashyap, P.E.  
Rate Engineer  
Division of Water, Compliance and Consumer Affairs

VMK:w:/exhibit/letters/6570-WR-103

Enclosures

Docket No. 6570-WR-103  
Witness: Vishwa Kashyap  
Exhibit No. \_\_\_\_\_

Windsor Sanitary District Number 1

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Division of Water, Compliance and Consumer Affairs  
Public Service Commission of Wisconsin  
June 2010

ASB  
6/14/10

COMPARATIVE INCOME STATEMENT

ACCT NO.	OPERATING REVENUES	2005	2006	2007	2008	TEST YEAR 2010
460	Unmetered					
	Residential	\$ 1,166	\$ 1,065	\$ 1,232	\$ 500	\$ 550
	Commercial	0	0	0	0	0
	Industrial	0	0	0	0	0
461	Metered					
	Residential	102,991	101,268	108,087	113,453	120,511
	Commercial	22,761	30,580	34,990	37,914	34,888
	Industrial	6,594	6,757	6,333	6,772	6,214
	<b>Total general sales</b>	<b>\$ 133,512</b>	<b>\$ 139,670</b>	<b>\$ 150,642</b>	<b>\$ 158,639</b>	<b>\$ 162,163</b>
462	Private fire protection service	11,484	11,902	13,164	13,164	13,690
463	Public fire protection service	47,818	15,434	43,436	98,465	64,718
464	Other sales to public authorities	738	805	733	797	802
466	Sales for resale	0	0	0	0	0
467	Interdepartmental sales	0	0	0	0	0
470	Forfeited discounts	541	673	868	1,023	1,200
474	Other water revenues	26,513	52,852	65,202	72,915	101,100
	<b>TOTAL OPERATING REVENUES</b>	<b>\$ 220,606</b>	<b>\$ 221,336</b>	<b>\$ 274,045</b>	<b>\$ 345,003</b>	<b>\$ 343,673</b>
<b>OPERATING EXPENSES</b>						
<b>PLANT OPERATION AND MAINTENANCE</b>						
600	Salaries and wages	\$ 38,343	\$ 39,689	\$ 41,260	\$ 43,431	\$ 47,500
610	Purchased water	0	0	0	0	0
620	Fuel or power purchased for pumping	11,243	12,774	12,380	11,380	16,000
630	Chemicals	4,007	4,262	5,157	5,527	6,500
640	Supplies and expenses	8,060	6,585	4,686	10,548	18,500
650	Repairs of water plant	32,288	34,723	24,271	83,840	49,900
660	Transportation expenses	4,262	4,122	4,314	3,281	3,500
<b>GENERAL OPERATING EXPENSES</b>						
680	Administrative and general salaries	5,760	5,600	4,700	4,200	4,400
681	Office supplies and expenses	5,652	5,769	5,808	5,128	5,850
682	Outside services employed	108,801	109,155	79,514	32,243	53,000
684	Insurance expense	5,063	6,691	6,474	6,468	11,100
686	Employees pensions and benefits	9,329	10,026	10,460	11,028	12,000
688	Regulatory commission expenses	175	280	1,057	314	490
689	Miscellaneous general expenses	4,432	1,416	1,055	1,000	1,600
690	Uncollectible accounts	0	0	0	0	0
	<b>TOTAL OPERATION AND MAINTENANCE EXPENSES</b>	<b>\$ 237,415</b>	<b>\$ 241,092</b>	<b>\$ 201,136</b>	<b>\$ 218,388</b>	<b>\$ 230,340</b>
403	<b>DEPRECIATION EXPENSE</b>	25,955	30,218	32,172	36,580	75,012
408	<b>TAXES AND TAX EQUIVALENT</b>	3,750	3,465	3,760	3,784	4,458
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 267,120</b>	<b>\$ 274,775</b>	<b>\$ 237,068</b>	<b>\$ 258,752</b>	<b>\$ 309,810</b>
	<b>NET OPERATING INCOME</b>	<b>\$ (46,514)</b>	<b>\$ (53,439)</b>	<b>\$ 36,977</b>	<b>\$ 86,251</b>	<b>\$ 33,863</b>

## NET INVESTMENT RATE BASE

UTILITY FINANCED PLANT IN SERVICE	\$ 3,364,810
Less: ACCUMULATED PROVISION FOR DEPRECIATION	588,562
Less: REGULATORY LIABILITY FOR PRE-2003 ACCUM. DEPR. - CIAC	<u>64,991</u>
NET INVESTMENT	\$ 2,711,257
Plus: MATERIALS AND SUPPLIES	<u>24,500</u>
NET INVESTMENT RATE BASE	\$ <u>2,735,757</u>
RATE OF RETURN ON RATE BASE	4.35 %

ESTIMATED INCOME STATEMENT FOR THE 2010 TEST YEAR  
AND  
REVENUE REQUIREMENT TO YIELD A 4.35% RETURN ON NET INVESTMENT RATE BASE

	<u>PRESENT RATES</u>	<u>INCREASE</u>	<u>AFTER RATE INCREASE</u>
TOTAL OPERATING REVENUES	\$ <u>343,673</u>	\$ <u>85,142</u>	\$ <u>428,815</u>
OPERATING EXPENSES:			
OPERATION AND MAINTENANCE EXPENSES	\$ 230,340		\$ 230,340
DEPRECIATION EXPENSE	75,012		75,012
TAXES AND TAX EQUIVALENT	<u>4,458</u>		<u>4,458</u>
TOTAL OPERATING EXPENSES	\$ <u>309,810</u>		\$ <u>309,810</u>
NET OPERATING INCOME (LOSS)	\$ <u>33,863</u>		\$ <u>119,005</u>
RATE OF RETURN ON RATE BASE	1.24 %		4.35 %

**UTILITY FINANCED PLANT IN SERVICE AND DEPRECIATION EXPENSE**  
TEST YEAR  
2010

ACCT NO.	ACCOUNT DESCRIPTION	12/31/2009 BALANCE (\$)	MAJOR ADDITIONS (\$)	NORMAL ADDITIONS (\$)	RETIRE- MENTS (\$)	12/31/2010 BALANCE (\$)	DEPREC. BALANCE TEST YEAR 2010 (\$)	DEPREC. RATE (%)	DEPREC. ACCURAL (\$)
<b>INTANGIBLE PLANT</b>									
301	Organization	0	0	0	0	0	0	N/A	0
302	Franchises and consents	0	0	0	0	0	0	N/A	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	N/A	0
<b>SOURCE OF SUPPLY</b>									
310	Land and land rights	41,443	0	0	0	41,443	41,443	N/A	0
311	Structures and improvements	0	0	0	0	0	0	0.00	0
312	Collecting and impounding reservoirs	0	0	0	0	0	0	0.00	0
313	Lake, river, and other intakes	0	0	0	0	0	0	0.00	0
314	Wells and springs	24,236	0	0	0	24,236	24,236	2.90	703
315	Infiltration galleries and tunnels	0	0	0	0	0	0	0.00	0
316	Supply mains	0	0	0	0	0	0	0.00	0
317	Other water source plant	0	0	0	0	0	0	0.00	0
<b>PUMPING PLANT</b>									
320	Land and land rights	0	0	0	0	0	0	N/A	0
321	Structures and improvements	33,503	0	0	0	33,503	33,503	3.20	1,072
322	Boiler plant equipment	0	0	0	0	0	0	0.00	0
323	Other power production equipment	0	0	0	0	0	0	0.00	0
324	Steam pumping equipment	0	0	0	0	0	0	0.00	0
325	Electric pumping equipment	113,546	0	0	0	113,546	113,546	4.40	4,996
326	Diesel pumping equipment	0	0	0	0	0	0	0.00	0
327	Hydraulic pumping equipment	0	0	0	0	0	0	0.00	0
328	Other pumping equipment	12,543	0	0	0	12,543	12,543	4.40	552
<b>WATER TREATMENT PLANT</b>									
330	Land and land rights	0	0	0	0	0	0	N/A	0
331	Structures and improvements	0	0	0	0	0	0	0.00	0
332	Water treatment equipment	5,075	0	0	0	5,075	5,075	6.00	305
<b>TRANSMISSION AND DISTRIBUTION PLANT</b>									
340	Land and land rights	76,857	0	0	0	76,857	76,857	N/A	0
341	Structures and improvements	308,307	0	0	0	308,307	308,307	3.20	9,866
342	Distribution reservoirs and standpipes	2,294,044	(975,000)	0	0	1,319,044	1,319,044	1.90	25,062
343	Transmission and distribution mains	843,033	0	0	0	843,033	843,033	1.30	10,959
344	Fire mains	0	0	0	0	0	0	0.00	0
345	Services	226,242	0	0	0	226,242	226,242	2.90	6,561
346	Meters	108,916	0	500	500	108,916	108,916	5.50	2,995
348	Hydrants	165,209	0	0	0	165,209	165,209	2.20	3,635
349	Other transmission and distribution plant	0	0	0	0	0	0	0.00	0
<b>GENERAL PLANT</b>									
370	Land and land rights	0	0	0	0	0	0	N/A	0
371	Structures and improvements	21,414	0	0	0	21,414	21,414	2.90	621
372	Office furniture and equipment	4,825	0	0	0	4,825	4,825	5.80	280
372.1	Office furniture and equipment - Computers	7,963	0	0	0	7,963	7,963	26.70	2,126
373	Transportation equipment	29,680	0	0	0	29,680	29,680	13.30	3,947
379	Other general equipment	22,974	0	0	0	22,974	22,974	5.80	1,332
390	Other tangible property	0	0	0	0	0	0	0.00	0
<b>TOTAL PLANT IN SERVICE</b>		<b>4,339,810</b>	<b>(975,000)</b>	<b>500</b>	<b>500</b>	<b>3,364,810</b>	<b>3,364,810</b>		<b>75,012</b>

SYSTEM DEMAND RATIOSMAXIMUM DAY SYSTEM DEMAND

TOTAL ANNUAL PUMPAGE	98,030,000	GALLONS
AVERAGE DAILY PUMPAGE	268,575	GALLONS
MAXIMUM DAY PUMPAGE	564,008	GALLONS
FIRE FLOW:		
	GAL/MIN	3,000
	DURATION (HOURS)	3
	TOTAL FLOW	540,000 GALLONS
AVERAGE DAY PLUS FIRE FLOW	808,575	GALLONS

RATIO:	BASE	=	$\frac{268,575}{808,575}$	=	33.22 %
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	MAX DAY	=	100-BASE	=	66.78 %
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MAXIMUM HOUR SYSTEM DEMAND

AVERAGE HOUR ON MAX DAY	23,500	GALLONS
MAXIMUM HOUR PUMPAGE	39,167	GALLONS
AVERAGE HOUR PLUS ONE HOUR FIRE FLOW	191,191	GALLONS

RATIO:	BASE	=	$\frac{268,575}{4,588,575}$	=	5.85 %	Use 10.00 %
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	MAX HOUR	=	100-BASE	=	94.15 %	Use 90.00 %
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ALLOCATION OF UTILITY FINANCED PLANT TO  
SERVICE COST FUNCTIONS

ACCT NO.	ACCOUNT DESCRIPTION	TOTAL (\$)	COA (\$)	DATA (\$)	STORAGE (\$)	DISTRIB. (\$)	BILLING (\$)	METER (\$)	SERVICE (\$)	PROJECT (\$)
INTANGIBLE PLANT										
301	Organization	0	0	0	0	0	0	0	0	0
302	Franchises and consents	0	0	0	0	0	0	0	0	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	0	0	0
SOURCE OF SUPPLY										
310	Land and land rights	41,443	13,766	27,677						
311	Structures and improvements	0	0	0						
312	Collecting and impounding reservoirs	0	0	0						
313	Lake, river, and other intakes	0	0	0						
314	Wells and springs	24,236	8,050	16,186						
315	Infiltration galleries and tunnels	0	0	0						
316	Supply mains	0	0	0						
317	Other water source plant	0	0	0						
PUMPING PLANT										
320	Land and land rights	0	0	0						
321	Structures and improvements	33,503	11,128	22,375						
322	Boiler plant equipment	0	0	0						
323	Other power production equipment	0	0	0						
324	Steam pumping equipment	0	0	0						
325	Electric pumping equipment	113,546	37,715	75,831						
326	Diesel pumping equipment	0	0	0						
327	Hydraulic pumping equipment	0	0	0						
328	Other pumping equipment	12,543	4,166	8,377						
WATER TREATMENT PLANT										
330	Land and land rights	0	0	0						
331	Structures and improvements	0	0	0						
332	Water treatment equipment	5,075	1,686	3,389						
TRANSMISSION AND DISTRIBUTION PLANT										
340	Land and land rights	76,857	6,241	0	34,269	21,902	0	3,144	6,531	4,769
341	Structures and improvements	308,307	25,037	0	137,469	87,860	0	12,612	26,198	19,131
342	Distribution reservoirs and standpipes	1,319,044	131,904		1,187,140					
343	Transmission and distribution mains	843,033	84,303			758,730				
344	Fire mains	0								0
345	Services	226,242						226,242		
346	Meters	108,916						108,916		
348	Hydrants	165,209								165,209
349	Other transmission and distribution plant	0	0	0	0	0	0	0	0	0
GENERAL PLANT										
370	Land and land rights	0	0	0	0	0	0	0	0	0
371	Structures and improvements	21,414	2,117	1,005	8,877	5,674	0	814	1,692	1,235
372	Office furniture and equipment	4,825	477	226	2,000	1,278	0	184	381	278
372.1	Office furniture and equipment - Computers	7,963	787	374	3,301	2,110	0	303	629	459
373	Transportation equipment	29,680	2,934	1,393	12,304	7,864	0	1,129	2,345	1,712
379	Other general equipment	22,974	2,271	1,078	9,524	6,087	0	874	1,815	1,325
390	Other tangible property	0	0	0	0	0	0	0	0	0
TOTAL		3,364,810	332,582	157,911	1,394,884	891,504	0	127,976	265,833	194,120



ALLOCATION OF TOTAL PLANT TO  
SERVICE COST FUNCTIONS

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY				CUSTOMER COSTS				
		TOTAL (\$)	BASE COST (\$)	MAX DAY (\$)	MAX HOUR		BILLING (\$)	EQUIV. METER (\$)	EQUIV. SERVICE (\$)	FIRE PROTECT. (\$)
					STORAGE (\$)	DISTRIB. (\$)				
	<b>INTANGIBLE PLANT</b>									
301	Organization	0	0	0	0	0	0	0	0	0
302	Franchises and consents	0	0	0	0	0	0	0	0	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	0	0	0
	<b>SOURCE OF SUPPLY</b>									
310	Land and land rights	41,443	13,766	27,677						
311	Structures and improvements	0	0	0	0	0	0	0	0	0
312	Collecting and impounding reservoirs	0	0	0	0	0	0	0	0	0
313	Lake, river, and other intakes	0	0	0	0	0	0	0	0	0
314	Wells and springs	24,236	8,050	16,186						
315	Infiltration galleries and tunnels	0	0	0	0	0	0	0	0	0
316	Supply mains	0	0	0	0	0	0	0	0	0
317	Other water source plant	0	0	0	0	0	0	0	0	0
	<b>PUMPING PLANT</b>									
320	Land and land rights	0	0	0	0	0	0	0	0	0
321	Structures and improvements	33,503	11,128	22,375						
322	Boiler plant equipment	0	0	0	0	0	0	0	0	0
323	Other power production equipment	0	0	0	0	0	0	0	0	0
324	Steam pumping equipment	0	0	0	0	0	0	0	0	0
325	Electric pumping equipment	113,546	37,715	75,831						
326	Diesel pumping equipment	0	0	0	0	0	0	0	0	0
327	Hydraulic pumping equipment	0	0	0	0	0	0	0	0	0
328	Other pumping equipment	12,543	4,166	8,377						
	<b>WATER TREATMENT PLANT</b>									
330	Land and land rights	0	0	0	0	0	0	0	0	0
331	Structures and improvements	0	0	0	0	0	0	0	0	0
332	Water treatment equipment	5,075	1,686	3,389						
	<b>TRANSMISSION AND DISTRIBUTION PLANT</b>									
340	Land and land rights	76,857	6,738	0	30,245	30,393	0	1,595	4,658	3,248
341	Structures and improvements	308,307	27,027	0	121,324	121,919	0	6,400	18,605	13,031
342	Distribution reservoirs and standpipes	2,294,044	229,404		2,064,640					
343	Transmission and distribution mains	2,305,298	230,530			2,074,768				0
344	Fire mains	0	0	0	0	0	0	0	0	0
345	Services	316,616						316,616		
346	Meters	108,916						108,916		
348	Hydrants	221,752								221,752
349	Other transmission and distribution plant	0	0	0	0	0	0	0	0	0
	<b>GENERAL PLANT</b>									
370	Land and land rights	0	0	0	0	0	0	0	0	0
371	Structures and improvements	21,414	2,083	562	8,096	8,135	0	427	1,241	870
372	Office furniture and equipment	4,825	469	127	1,824	1,833	0	96	280	196
372.1	Office furniture and equipment - Computers	7,963	775	209	3,010	3,025	0	159	462	323
373	Transportation equipment	29,680	2,887	779	11,221	11,276	0	592	1,721	1,205
379	Other general equipment	22,974	2,235	603	8,685	8,728	0	458	1,332	933
390	Other tangible property	0	0	0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>5,948,992</b>	<b>578,659</b>	<b>156,114</b>	<b>2,249,045</b>	<b>2,260,078</b>	<b>0</b>	<b>118,644</b>	<b>344,895</b>	<b>241,558</b>

ALLOCATION OF DEPRECIATION EXPENSE TO  
SERVICE COST FUNCTIONS

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY				CUSTOMER COSTS				
		TOTAL (\$)	BASE COST (\$)	MAX DAY (\$)	MAX HOUR		BILLING (\$)	EQUIV. METER (\$)	EQUIV. SERVICE (\$)	FIRE PROTECT. (\$)
					STORAGE (\$)	DISTRIB. (\$)				
301	INTANGIBLE PLANT									
302	Organization	0	0	0	0	0	0	0	0	0
303	Franchises and consents	0	0	0	0	0	0	0	0	0
	Miscellaneous intangible plant	0	0	0	0	0	0	0	0	0
310	SOURCE OF SUPPLY									
311	Land and land rights	0	0	0	0	0	0	0	0	0
312	Structures and improvements	0	0	0	0	0	0	0	0	0
313	Collecting and impounding reservoirs	0	0	0	0	0	0	0	0	0
314	Lake, river, and other intakes	0	0	0	0	0	0	0	0	0
315	Wells and springs	703	234	469						
316	Infiltration galleries and tunnels	0	0	0	0	0	0	0	0	0
317	Supply mains	0	0	0	0	0	0	0	0	0
	Other water source plant	0	0	0	0	0	0	0	0	0
320	PUMPING PLANT									
321	Land and land rights	0	0	0	0	0	0	0	0	0
322	Structures and improvements	1,072	356	716						
323	Boiler plant equipment	0	0	0	0	0	0	0	0	0
324	Other power production equipment	0	0	0	0	0	0	0	0	0
325	Steam pumping equipment	0	0	0	0	0	0	0	0	0
326	Electric pumping equipment	4,996	1,659	3,337						
327	Diesel pumping equipment	0	0	0	0	0	0	0	0	0
328	Hydraulic pumping equipment	0	0	0	0	0	0	0	0	0
	Other pumping equipment	552	183	369						
330	WATER TREATMENT PLANT									
331	Land and land rights	0	0	0	0	0	0	0	0	0
332	Structures and improvements	0	0	0	0	0	0	0	0	0
	Water treatment equipment	305	101	204						
340	TRANSMISSION AND DISTRIBUTION PLANT									
341	Land and land rights	0	0	0	0	0	0	0	0	0
342	Structures and improvements	9,866	722	0	4,522	1,977	0	600	1,315	729
343	Distribution reservoirs and standpipes	25,062	2,506		22,556					
344	Transmission and distribution mains	10,959	1,096			9,863				
345	Fire mains	0	0	0	0	0	0	0	0	0
346	Services	6,561							6,561	
347	Meters	2,995						2,995		
348	Hydrants	3,635								3,635
349	Other transmission and distribution plant	0	0	0	0	0	0	0	0	0
370	GENERAL PLANT									
371	Land and land rights	0	0	0	0	0	0	0	0	0
372	Structures and improvements	621	61	29	257	165	0	0	49	36
372.1	Office furniture and equipment	280	28	13	116	74	0	11	22	16
373	Office furniture and equipment - Computers	2,126	210	100	881	563	0	81	168	123
379	Transportation equipment	3,947	390	185	1,636	1,046	0	150	312	228
390	Other general equipment	1,332	132	63	552	353	0	51	105	77
	Other tangible property	0	0	0	0	0	0	0	0	0
TOTAL		75,012	7,679	5,484	30,521	14,041	0	3,911	8,533	4,843

ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES  
TO  
SERVICE COST FUNCTIONS

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY				CUSTOMER COSTS					
		TOTAL (\$)	BASE COST (\$)	MAX DAY (\$)	MAX HOUR		BILLING (\$)	EQUIV. METER (\$)	EQUIV. SERVICE (\$)	FIRE PROTECT. (\$)	
					STORAGE (\$)	DISTRIB. (\$)					
PLANT OPERATION AND MAINTENANCE											
600	Salaries and wages	47,500	2,772	748	10,775	10,827	19,000	568	1,652	1,157	
610	Purchased water	0	0								
620	Fuel or power purchased for pumping	16,000	16,000								
630	Chemicals	6,500	6,500								
640	Supplies and expenses	18,500	1,799	485	6,994	7,028	0	369	1,073	751	
650	Repairs of water plant	49,900	4,854	1,309	18,865	18,957	0	995	2,893	2,026	
660	Transportation expenses	3,500	340	92	1,323	1,330	0	70	203	142	
GENERAL OPERATING EXPENSES											
680	Administrative and general salaries	4,400	257	69	998	1,003	1,760	53	153	107	
681	Office supplies and expenses	5,850	474	128	1,841	1,850	981	97	282	198	
682	Outside services employed	53,000	4,291	1,158	16,677	16,759	8,888	880	2,557	1,791	
684	Insurance expense	11,100	899	242	3,493	3,510	1,861	184	536	375	
686	Employees pensions and benefits	12,000	972	262	3,776	3,794	2,012	199	579	406	
688	Regulatory commission expenses	490	40	11	154	155	82	8	24	17	
689	Miscellaneous general expenses	1,600	130	35	503	506	268	27	77	54	
690	Uncollectible accounts	0					0				
TOTAL OPERATION AND MAINTENANCE EXPENSES		230,340	39,326	4,540	65,399	65,720	34,853	3,450	10,029	7,024	

# SUMMARY OF ALLOCATION OF OPERATING COSTS TO SERVICE COST FUNCTIONS

	EXTRA-CAPACITY				CUSTOMER COSTS				
	TOTAL (\$)	BASE COST (\$)	MAX DAY (\$)	MAX HOUR		BILLING (\$)	EQUIV. METER (\$)	EQUIV. SERVICE (\$)	FIRE PROTECT. (\$)
				STORAGE (\$)	DISTRIB. (\$)				
OPERATING COST									
OPERATION AND MAINTENANCE	230,340	39,326	4,540	65,399	65,720	34,853	3,450	10,029	7,024
DEPRECIATION EXPENSE	75,012	7,679	5,484	30,521	14,041	0	3,911	8,533	4,843
TAXES AND TAX EQUIVALENT	4,458	434	117	1,685	1,694	0	89	258	181
RETURN ON NET INVESTMENT RATE BASE	119,005	11,763	5,585	49,334	31,530	0	4,526	9,402	6,866
TOTAL	428,815	59,202	15,726	146,939	112,985	34,853	11,976	28,222	18,914



CUSTOMER CLASS ALLOCATION FACTORS

NUMBER OF METERS

Meter size (inches):	NUMBER OF METERS											TOTAL METERS	PERCENT
	5/8	3/4	1	1-1/4	1-1/2	2	2-1/2	3	4	6	8	10	12
RESIDENTIAL	846	0	20	0	0	0	0	0	0	0	0	0	0
COMMERCIAL	41	0	25	0	9	8	0	3	1	1	0	0	0
INDUSTRIAL	1	0	0	0	1	4	0	0	0	0	0	0	0
PUBLIC AUTHORITY	1	0	0	0	1	0	0	0	0	0	0	0	0
TOTALS	889	0	45	0	11	12	0	3	1	1	0	0	0
												962	100.00

EQUIVALENT METERS

Meter size (inches):	EQUIVALENT METERS											TOTAL EQUIV. METERS	PERCENT
	5/8	3/4	1	1-1/4	1-1/2	2	2-1/2	3	4	6	8	10	12
RESIDENTIAL	846	0	50	0	0	0	0	0	0	0	0	0	0
COMMERCIAL	41	0	63	0	45	64	0	45	25	50	0	0	0
INDUSTRIAL	1	0	0	0	5	32	0	0	0	0	0	0	0
PUBLIC AUTHORITY	1	0	0	0	5	0	0	0	0	0	0	0	0
TOTALS	889	0	113	0	55	96	0	45	25	50	0	0	0
												1,273	100.00

EQUIVALENT SERVICES

Meter size (inches):	EQUIVALENT SERVICES											TOTAL EQUIV. SERVICES	PERCENT
	5/8	3/4	1	1-1/4	1-1/2	2	2-1/2	3	4	6	8	10	12
RESIDENTIAL	846	0	26	0	0	0	0	0	0	0	0	0	0
COMMERCIAL	41	0	33	0	18	24	0	12	5	6	0	0	0
INDUSTRIAL	1	0	0	0	2	12	0	0	0	0	0	0	0
PUBLIC AUTHORITY	1	0	0	0	2	0	0	0	0	0	0	0	0
TOTALS	889	0	59	0	22	36	0	12	5	6	0	0	0
												1,029	100.00

ALLOCATION OF SERVICE COST FUNCTIONS TO CUSTOMER CLASSES

	TOTAL (\$)	RESIDENTIAL (\$)	COMMERCIAL (\$)	INDUSTRIAL (\$)	PUBLIC AUTHORITY (\$)	PUBLIC FIRE PROTECTION (\$)
BASE COSTS	59,202	36,352	17,736	4,095	426	592
EXTRA-CAPACITY COSTS:						
MAXIMUM-DAY	15,726	5,852	2,166	250	52	7,406
MAXIMUM-HOUR STORAGE	146,939	51,604	19,100	2,306	459	73,469
MAXIMUM-HOUR DISTRIBUTION	112,985	39,680	14,687	1,773	353	56,492
CUSTOMER COSTS:						
BILLING	34,853	31,375	3,188	217	72	
EQUIVALENT METERS	11,976	8,433	3,129	358	56	
EQUIVALENT SERVICES	28,222	23,928	3,800	412	82	
FIRE PROTECTION	18,914					18,914
TOTAL COST	428,815	197,223	63,806	9,410	1,502	156,873
LESS OTHER REVENUE	24,540	8,020	2,417	356	57	13,690
LESS COST FOR DEBT SERVICE*	92,000	42,313	13,689	2,019	322	33,656
COST OF SERVICE	312,275	146,890	47,700	7,035	1,123	109,527
REVENUE AT PRESENT RATES	227,133	120,511	34,888	6,214	802	64,718
DIFFERENCE	85,142	26,379	12,812	821	321	44,809
PERCENT INCREASE/DECREASE	37.49	21.89	36.72	13.21	40.03	69.24

\*The District has decided to recover \$92,000 of the annual \$160,000 cost for debt service through tax levy.

1

## WINDSOR SANITARY DISTRICT NUMBER ONE

## Comparison of Revenue

at

## Present Rates, Cost of Service and Proposed Rates

Customer Class	Revenue at Present Rates	Cost of Service		Proposed Rates		
		Revenue Required	Increase Over Present Rates	Revenue	Increase Over Present Rates	Percent of Cost of Service
Residential	\$ 120,511	\$ 146,890	22%	\$ 149,170	24%	102%
Commercial	34,888	47,700	37%	44,600	28%	94%
Industrial	6,214	7,035	13%	7,952	28%	113%
Public Authority	802	1,123	40%	1,055	31%	94%
Public Fire Protection	64,718	109,527	69%	109,527	69%	100%
<b>Total</b>	<b>\$ 227,133</b>	<b>\$ 312,275</b>	<b>37%</b>	<b>\$ 312,304</b>	<b>37%</b>	<b>100%</b>



## Windsor Sanitary District Number 1

Proposed Water Rates and RulesPublic Fire Protection Service - - - F-1

The annual charge for public fire protection service to Windsor Sanitary District No. 1 shall be \$83,241.

This service shall include the use of hydrants for fire protection service only and such quantities of water as may be demanded for the purpose of extinguishing fires within the service area. This service shall also include water used for testing equipment and training personnel. For all other purposes, the metered or other rates set forth, or as may be filed with the Public Service Commission, shall apply.

Private Fire Protection Service - Unmetered - - - Upf-1

This service shall consist of permanent or continuous unmetered connections to the main for the purpose of supplying water to private fire protection systems such as automatic sprinkler systems, standpipes, and private hydrants. This service shall also include reasonable quantities of water used for testing check valves and other backflow prevention devices.

## Quarterly Private Fire Protection Service Demand Charges:

2-inch or smaller connection	\$ 27.00
3-inch connection	\$ 51.00
4-inch connection	\$ 81.00
6-inch connection	\$ 162.00
8-inch connection	\$ 264.00
10-inch connection	\$ 393.00
12-inch connection	\$ 525.00

Billing: Same as Schedule Mg-1.

General Service - Metered - - - Mg-1

## Quarterly Service Charges:

5/8 -inch meter - \$	22.50	3 -inch meter - \$	132.00
3/4 -inch meter - \$	22.50	4 -inch meter - \$	204.00
1 -inch meter - \$	33.00	6 -inch meter - \$	270.00
1 1/4 -inch meter - \$	39.00	8 -inch meter - \$	300.00
1 1/2 -inch meter - \$	49.50	10 -inch meter - \$	420.00

2 -inch meter - \$ 90.00      12 -inch meter - \$ 555.00

Plus Volume Charges:

First 30,000 gallons used per quarter - \$1.32 per 1,000 gallons  
Next 170,000 gallons used per quarter - \$1.19 per 1,000 gallons  
Over 200,000 gallons used per quarter - \$ .85 per 1,000 gallons

Billing: Bills for water service are rendered quarterly and become due and payable upon issuance following the period for which service is rendered. A late payment charge of 1 percent per month will be added to bills not paid within 20 days of issuance. This late payment charge will be applied to the total unpaid balance for utility service, including unpaid late payment charges. This late payment charge is applicable to all customers. The utility customer may be given a written notice that the bill is overdue no sooner than 20 days after the bill is issued. Unless payment or satisfactory arrangement for payment is made within the next 10 days, service may be disconnected pursuant to Wis. Admin. Code ch. PSC 185.

Combined Metering: Volumetric meter readings will be combined for billing if the utility for its own convenience places more than one meter on a single water service lateral. Multiple meters placed for the purpose of identifying water not discharged into the sanitary sewer are not considered for utility convenience and shall not be combined for billing. This requirement does not preclude the utility from combining readings where metering configurations support such an approach. Meter readings from individually metered separate service laterals shall not be combined for billing purposes.

Outside Services Charge to DeForest Customers- - - OSC-1

\$.81 per \$1,000 of Equalized Property Value

This charge includes a portion of the debt service cost and public fire protection charge and shall apply only to customers in De Forest. Customers within the Windsor Sanitary District Number 1 customers would not be subject to this charge as they will be paying for this portion of the debt service cost and public fire protection charge through property taxes.

Billing: Same as Schedule Mg-1.

Water Benefit Charge- - - WB-1

Windsor Sanitary District No. 1 shall make an annual payment of \$69,920 to the water Utility to pay for the debt service cost.

**Other Charges - - - OC-1**

A \$35.00 charge shall apply to the customer's account when a check rendered for utility service is returned for non-sufficient funds. This charge may not be in addition to, but may be inclusive of, other non-sufficient funds charges when the check was for payment of multiple services.

**Billing:** Same as Schedule Mg-1.

**General Service - Suburban - - - Mg-2**

Water customers residing outside the corporate limits of the Windsor Sanitary District No.1 shall be billed at the regular rates for service (Schedule Mg-1) plus a 25 percent surcharge. This charge would not apply to customers in DeForest.

**Billing:** Same as Schedule Mg-1.

**Public Service - - - Mpa-1**

Water service supplied to municipal buildings, schools, sewer treatment plants, etc., shall be metered and the regular metered service rates (Schedule Mg-1) applied.

Water used on an intermittent basis for flushing sewers, street sprinkling, flooding skating rinks, drinking fountains, etc., shall be metered where meters can be set to measure the service. Where it is impossible to measure the service, the superintendent shall estimate the volume of water used based on the pressure, size of opening, and period of time water is allowed to be drawn. The estimated quantity used shall be billed at the rate of \$1.19 per 1,000 gallons.

**Billing:** Same as Schedule Mg-1.

**General Water Service - Unmetered - - - Ug-1**

Where the utility cannot immediately install its water meter, service may be supplied temporarily on an unmetered basis. Such service shall be billed at the rate of \$43.62 per quarter. This rate shall be applied only to single-family residential and small commercial customers and approximates the cost of 16,000 gallons of water per quarter under Schedule Mg-1. If it is determined by the utility that usage is in excess of 16,000 gallons of water per quarter, an additional charge per Schedule Mg-1 will be made for the estimated additional usage.

**Billing:** Same as Schedule Mg-1.

Standby Water Service - - - Sws-1

A standby charge shall apply to each lot or equivalent parcel of land\* for which water system facilities are available but are not connected. Where more than one lot or equivalent is used as a unit and a customer is connected, the total charge for water service to such customer shall be not less than the standby charge applicable to the several lots.

Each lot or equivalent parcel of land - \$10.00 per quarter.

Note: This rate is not applicable to land declared by the local municipality as unbuildable.

\*An equivalent parcel of land shall be each full 100 feet where unplatted. (Example: An unplatted 480 foot piece of land would be 4 equivalent parcels.) Also, any isolated parcel of less than 100 feet shall be equivalent to a lot.

Billing: Same as Schedule Mg-1.

Seasonal, Emergency, or Temporary Service - - - Mgt-1

Seasonal customers\* shall pay an annual seasonal service charge equal to four times the applicable service charge in Schedule Mg-1. Water use in any billing period shall be billed at the applicable volume rates in Schedule Mg-1 and the charge added to the annual seasonal service charge.

For disconnections of service not previously considered as seasonal, emergency, or temporary, if service is resumed at the same premises by the same customer within a 12-month period, and if there has been no service to another customer during the intervening period, the customer shall be billed for the pro-rata share of the applicable service charge for the period of disconnection.

Further, if service has been disconnected or a meter removed, a charge under Schedule R-1 shall be applied at the time of reconnection or meter reinstallation.

\*Seasonal customers are general service customers whose use of water is normally for recurring periods of less than a year.

Billing: Same as Schedule Mg-1.

Building and Construction Water Service - - - Mz-1

For single-family and small commercial buildings, apply the unmetered rate (Schedule Ug-1).

For large commercial, industrial, or multiple apartment buildings, a temporary metered installation shall be made and general metered rates (Schedule Mg-1) applied.

Billing: Same as Schedule Mg-1.

Bulk Water - - - BW-1

All bulk water supplied from the water system through hydrants or other connections shall be metered, or at the direction of the utility, estimated. Utility personnel or a utility-approved party shall supervise the delivery of water.

Bulk water sales are:

- A. Water supplied by tank trucks or from hydrants for the purpose of extinguishing fires outside the utility's immediate service area;
- B. Water supplied by tank trucks or from hydrants for purposes other than extinguishing fires, such as irrigation or the filling of swimming pools; or,
- C. Water supplied from hydrants or other temporary connections for general service type applications. (Water supplied for construction purposes - see Schedule Mz-1.)

A charge for the volume of water used will be billed to the party using the water at \$1.32 per 1,000 gallons. A service charge, in addition to the volumetric charge, will be \$40.00. In addition, for meters that are assigned to bulk water customers for more than 30 days, the applicable service charge in Schedule Mg-1 will apply after the first 30 days.

The water utility may require reasonable deposits for the temporary use of its equipment under this and other rate schedules. The deposit(s) collected will be refunded upon return of the utility's equipment. Damaged or lost equipment will be repaired or replaced at the customer's expense.

Billing: Same as Schedule Mg-1.

Reconnection Charges - - - R-1

	<u>During Normal Business Hours</u>	<u>After Normal Business Hours</u>
Reinstallation of meter, including valving at curb stop	\$ 40.00	\$ 60.00
Valve turned on at curb stop	\$ 30.00	\$ 45.00

Note: No charge for disconnection.

Billing: Same as Schedule Mg-1.

Water Lateral Installation Charge - - - Cz-1

Subdivision developers shall be responsible, where the main extension has been approved by the utility, for the water service lateral installation costs from the main through the curb stop and box.

When the cost of a utility main extension is to be collected through assessment by the municipality, the actual average water lateral installation costs from the main through the curb stop and box shall be included in the assessment of the appropriate properties.

The initial water service lateral(s), not installed as part of a subdivision development or an assessable utility extension, will be installed from the main through the curb stop and box by the utility, for which the actual cost will be charged.

Billing: Same as Schedule Mg-1.

Rules and Regulations - - - X-1

Delete Schedule X-1 through X-1.13. Incorporate the operating rules for municipal water utilities as provided by the Public Service Commission.

Water Main Extension Rule - - - X-2

Water mains will be extended for new customers on the following basis:

- A. Where the cost of the extension is to immediately be collected through assessment by the municipality against the abutting property, the procedure set forth under Wis. Stat. § 66.0703 will apply, and no additional customer contribution to the utility will be required.
- B. Where the municipality is unwilling or unable to make a special assessment, the extension will be made on a customer-financed basis as follows:
  - 1. The applicant(s) will advance as a contribution in aid of construction the total amount equivalent to that which would have been assessed for all property under A.
  - 2. Part of the contribution required in B.1. will be refundable. When additional customers are connected to the extended main within 10 years of the date of completion, contributions in aid of construction will be collected equal to the amount which would have been assessed under A. for the abutting property being served. This amount will be refunded to the original contributor(s). In no case will the contributions received from additional customers exceed the

proportionate amount which would have been required under A., nor will it exceed the total assessable cost of the original extension.

- C. When a customer connects to a transmission main or connecting loop installed at utility expense within 10 years of the date of completion, there will be a contribution required of an amount equivalent to that which would have been assessed under A.

Water Main Installations in Platted Subdivisions - - - X-3

Application for installation of water mains in regularly platted real estate development subdivisions shall be filed with the utility.

If the developer, or a contractor employed by the developer, is to install the water mains (with the approval of the utility), the developer shall be responsible for the total cost of construction.

If the utility or its contractor is to install the water mains, the developer shall be required to advance to the utility, prior to the beginning of the construction, the total estimated cost of the extension. If the final costs exceed estimated costs, an additional billing will be made for the balance of the cost due. This balance is to be paid within 30 days. If final costs are less than estimated, a refund of the overpayment will be made by the water utility.

# WINDSOR SANITARY DISTRICT NUMBER ONE

## Customer Water Bill Comparison at Present and Proposed Rates

Customer Type	Meter Size (Inches)	Volume 1,000 Gallons	Quarterly		Percent Change
			Bills at Old Rates	Bills at New Rates	
Small Residential	5/8	3	\$ 22.70	\$ 26.46	17%
Small Residential	5/8	7	26.54	31.74	20%
Average Residential	5/8	16	35.18	43.62	24%
Large Residential	5/8	20	39.02	48.90	25%
Industrial	2	26	104.23	124.32	19%
Large Residential	1	30	57.62	72.60	26%
Commercial	5/8	40	57.12	74.00	30%
Public Authority	1	100	117.12	155.90	33%
Commercial	1	160	168.12	227.30	35%
Public Authority	1 1/2	191	208.89	280.69	34%
Commercial	2	216	263.29	345.50	31%
Industrial	2	294	315.55	411.80	31%
Commercial	6	317	485.89	611.35	26%
Commercial	2	409	392.60	509.55	30%
Industrial	2	608	525.93	678.70	29%
Public Fire Protection (Annual charge)			64,718.00	109,527.00	69%



Windsor Sanitary District No. 1  
Schedule of Water Depreciation Rates  
Effective January 1, 2010

<u>Account Number</u>	<u>Account Title</u>	<u>Depr. Rate</u>
	<b>SOURCE OF SUPPLY PLANT</b>	
314	Wells and Springs - Note 1	2.9%
	<b>PUMPING PLANT</b>	
321	Structures and Improvements	3.2%
325	Electric Pumping Equipment	4.4%
328	Other Pumping Equipment	4.4%
	<b>WATER TREATMENT PLANT</b>	
334	Other Water Treatment Equipment	6.0%
	<b>TRANSMISSION AND DISTRIBUTION PLANT</b>	
341	Structures and Improvements	3.2%
342	Distribution Reservoirs and Standpipes	1.9%
343	Transmission and Distribution Mains	1.3%
345	Services	2.9%
346	Meters	5.5%
348	Hydrants	2.2%
	<b>GENERAL PLANT</b>	
390	Structures and Improvements	2.9%
391	Office Furniture and Equipment	5.8%
391.1	Computer Equipment	26.7%
392	Transportation Equipment	13.3%
398	Miscellaneous Equipment	5.8%

Note 1 -- It is assumed that the amount reported in Account 311, Structures and Improvements for Source of Supply Plant, on page W-8 in the annual report (since 1998) is actually the balance in Account 314, Wells and Springs.

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**WATER UTILITY OPERATING RULES**Compliance with Rules

All persons now receiving water service from this water utility, or who may request service in the future, shall be considered as having agreed to be bound by the rules and regulations as filed with the Public Service Commission of Wisconsin.

Establishment of Service

Application for water service may be made in writing on a form furnished by the water utility. The application will contain the legal description of the property to be served, the name of the owner, the exact use to be made of the service, and the size of the service lateral and meter desired. Note particularly any special refrigeration, fire protection, or water-consuming air-conditioning equipment.

Service will be furnished only if (1) the premises have a frontage on a properly platted street or public strip in which a cast iron or other long-life water main has been laid, or where the property owner has agreed to and complied with the provisions of the water utility's filed main extension rule, (2) the property owner has installed or agrees to install a service lateral from the curb stop to the point of use that is not less than 6 feet below the surface of an established or proposed grade and meets the water utility's specifications, and (3) the premises have adequate piping beyond the metering point.

The owner of a multi-unit dwelling has the option of being served by individual metered water service to each unit. The owner, by selecting this option, is required to provide interior plumbing and meter settings to enable individual metered service to each unit and individual disconnection without affecting service to other units. Each meter and meter connection will be treated as a separate water utility account for the purpose of the filed rules and regulations.

No division of the water service lateral to any lot or parcel of land shall be made for the extension and independent metering of the supply to an adjoining lot or parcel of land. Except for duplexes, no division of a water service lateral shall be made at the curb for separate supplies for two or more separate premises having frontage on any street or public service strip, whether owned by the same or different parties. Duplexes may be served by one lateral provided (1) individual metered service and disconnection is provided and (2) it is permitted by local ordinance.

Buildings used in the same business, located on the same parcel, and served by a single lateral may have the customer's water supply piping installed to a central point so that volume can be metered in one place.

The water utility may withhold approval of any application where full information of the purpose of such supply is not clearly indicated and set forth by the applicant property owner.

EFFECTIVE:

PSCW AUTHORIZATION:

\*\*

**WATER UTILITY OPERATING RULES**Reconnection of Service

Where the water utility has disconnected service at the customer's request, a reconnection charge shall be made when the customer requests reconnection of service. See Schedule R-1 for the applicable rate.

A reconnection charge shall also be required from customers whose services are disconnected (shut off at curb stop box) because of nonpayment of bills when due. See Schedule R-1 for the applicable rate.

If reconnection is requested for the same location by any member of the same household, or, if a place of business, by any partner of the same business, it shall be considered as the same customer.

Temporary Metered Service, Meter, and Deposits

An applicant for temporary water service on a metered basis shall make and maintain a monetary deposit for each meter installed as security for payment for use of water and for such other charges which may arise from the use of the supply. A charge shall be made for setting the valve and furnishing and setting the meter. See Schedule BW-1 for the applicable rate.

Water for Construction

When water is requested for construction purposes or for filling tanks or other such uses, an application shall be made to the water utility, in writing, giving a statement of the amount of construction work to be done or the size of the tank to be filled, etc. Payment for the water for construction may be required in advance at the scheduled rates. The service lateral must be installed into the building before water can be used. No connection with the service lateral at the curb shall be made without special permission from the water utility. In no case will any employee of the water utility turn on water for construction work unless the contractor has obtained permission from the water utility.

Customers shall not allow contractors, masons, or other persons to take unmetered water from their premises without permission from the water utility. Any customer failing to comply with this provision may have water service discontinued and will be responsible for the cost of the estimated volume of water used.

EFFECTIVE:

PSCW AUTHORIZATION:

\*\*

**WATER UTILITY OPERATING RULES**Use of Hydrants

In cases where no other supply is available, permission may be granted by the water utility to use a hydrant. No hydrant shall be used until the proper meter, valve, and backflow preventer are installed. In no case shall any valve be installed or moved except by an employee of the water utility.

Before a valve is set, payment must be made for its setting and for the water to be used at the scheduled rates. Where applicable, see Schedule BW-1 for deposits and charges. Upon completing the use of the hydrant, the customer must notify the water utility to that effect.

Operation of Valves and Hydrants and Unauthorized Use of Water - Penalty

Any person who shall, without authority of the water utility, allow contractors, masons, or other unauthorized persons to take water from their premises, operate any valve connected with the street or supply mains, or open any fire hydrant connected with the distribution system, except for the purpose of extinguishing fire, or who shall wantonly damage or impair the same, shall be subject to a fine as provided by municipal ordinance. Utility permission for the use of hydrants applies only to such hydrants that are designated for the specific use.

Refunds of Monetary Deposits

All money deposited as security for payment of charges arising from the use of temporary water service on a metered basis, or for the return of a hydrant valve and fixtures if the water is used on an unmetered basis, will be refunded to the depositor on the termination of the use of water, the payment of all charges levied against the depositor, and the return of the water utility's equipment.

Service Laterals

No water service lateral shall be laid through any trench having cinders, rubbish, rock or gravel fill, or any other material which may cause injury to or disintegration of the service lateral, unless adequate means of protection are provided by sand filling or such other insulation as may be approved by the water utility. Service laterals passing through curb or retaining walls shall be adequately safeguarded by provision of a channel space or pipe casing not less than twice the diameter of the service connection. The space between the service lateral and the channel or pipe casing shall be filled and lightly caulked with an oakum, mastic cement, or other resilient material and made impervious to moisture.

In backfilling the pipe trench, the service lateral must be protected against injury by carefully hand tamping the ground filling around the pipe. There should be at least 6 inches of ground filling over the pipe, and it should be free from hard lumps, rocks, stones, or other injurious material.

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**WATER UTILITY OPERATING RULES**Service Laterals (continued)

All water service laterals shall be of undiminished size from the street main into the point of meter placement. Beyond the meter outlet valve, the piping shall be sized and proportioned to provide, on all floors, at all times, an equitable distribution of the water supply for the greatest probable number of fixtures or appliances operating simultaneously.

Replacement and Repair of Service Laterals

The service lateral from the main to and through the curb stop will be maintained and kept in repair and, when worn out, replaced at the expense of the water utility. The property owner shall maintain the service lateral from the curb stop to the point of use.

If an owner fails to repair a leaking or broken service lateral from the curb to the point of metering or use within such time as may appear reasonable to the water utility after notification has been served on the owner by the water utility, the water will be shut off and will not be turned on again until the repairs have been completed.

Abandonment of Service

If a property owner changes the use of a property currently receiving water service such that water service will no longer be needed in the future, the water utility may require the abandonment of the water service at the water main. In such case, the property owner may be responsible for all removal and/or repair costs, including the water main and the utility portion of the water service lateral.

Charges for Water Wasted Due to Leaks

See Wis. Admin. Code § PSC 185.35.

Thawing Frozen Service Laterals

See Wis. Admin. Code § PSC 185.88.

Curb Stop Boxes

The curb stop box is the property of the water utility. The water utility is responsible for its repair and maintenance. This includes maintaining, through adjustment, the curb stop box at an appropriate grade level where no direct action by the property owner or occupant has contributed to an elevation problem. The property owner is responsible for protecting the curb stop box from situations that could obstruct access to it or unduly expose it to harm. The water utility shall not be liable for failure to locate the curb stop box and shut off the water in case of a leak on the owner's premises.

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**WATER UTILITY OPERATING RULES**Installation of Meters

Meters will be owned, furnished, and installed by the water utility or a utility-approved contractor and are not to be disconnected or tampered with by the customer. All meters shall be so located that they shall be protected from obstructions and permit ready access for reading, inspection, and servicing, such location to be designated or approved by the water utility. All piping within the building must be supplied by the owner. Where additional meters are desired by the owner, the owner shall pay for all piping. Where applicable, see Schedule Am-1 for rates.

Repairs to Meters

Meters will be repaired by the water utility, and the cost of such repairs caused by ordinary wear and tear will be borne by the water utility.

Repair of any damage to a meter resulting from the carelessness of the owner of the premises, owner's agent, or tenant, or from the negligence of any one of them to properly secure and protect same, including any damage that may result from allowing a water meter to become frozen or to be damaged from the presence of hot water or steam in the meter, shall be paid for by the customer or the owner of the premises.

Service Piping for Meter Settings

Where the original service piping is installed for a new metered customer, where existing service piping is changed for the customer's convenience, or where a new meter is installed for an existing unmetered customer, the owner of the premises at his/her expense shall provide a suitable location and the proper connections for the meter. The meter setting and associated plumbing shall comply with the water utility's standards. The water utility should be consulted as to the type and size of the meter setting.

Turning on Water

The water may only be turned on for a customer by an authorized employee of the water utility. Plumbers may turn the water on to test their work, but upon completion must leave the water turned off.

Sprinkling Restrictions and Emergency Water Conditions

Where the municipality has a policy regarding sprinkling restrictions and/or emergency water conditions, failure to comply with such may result in disconnection of service.

See Wis. Admin. Code § PSC 185.37.

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**Public Service Commission of Wisconsin**

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**WATER UTILITY OPERATING RULES**Failure to Read Meters

Where the water utility is unable to read a meter, the fact will be plainly indicated on the bill, and either an estimated bill will be computed or the minimum charge applied. The difference shall be adjusted when the meter is again read, that is, the bill for the succeeding billing period will be computed with the gallons or cubic feet in each block of the rate schedule doubled, and credit will be given on that bill for the amount of the bill paid the preceding period. Only in unusual cases shall more than three consecutive estimated or minimum bills be rendered.

If the meter is damaged (see Surreptitious Use of Water) or fails to operate, the bill will be based on the average use during the past year, unless there is some reason why the use is not normal. If the average use cannot be properly determined, the bill will be estimated by some equitable method.

See Wis. Admin. Code § PSC 185.33.

Complaint Meter Tests

See Wis. Admin. Code § PSC 185.77.

Inspection of Premises

During reasonable hours, any officer or authorized employee of the water utility shall have the right of access to the premises supplied with service for the purpose of inspection or for the enforcement of the water utility's rules and regulations. Whenever appropriate, the water utility will make a systematic inspection of all unmetered water taps for the purpose of checking waste and unnecessary use of water.

See Wis. Stat. § 196.171.

Vacation of Premises

When premises are to be vacated, the water utility shall be notified, in writing, at once, so that it may remove the meter and shut off the water supply at the curb stop. The owner of the premises shall be liable for prosecution for any damage to the water utility's property. See "Abandonment of Service" in Schedule X-1 for further information.

Deposits for Residential Service

See Wis. Admin. Code § PSC 185.36.

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**WATER UTILITY OPERATING RULES**

Deposits for Nonresidential Service

See Wis. Admin. Code § PSC 185.361.

Deferred Payment Agreement

See Wis. Admin. Code § PSC 185.38.

Dispute Procedures

See Wis. Admin. Code § PSC 185.39.

Disconnection and Refusal of Service

See Wis. Admin. Code § PSC 185.37.

The following is an example of a disconnection notice that the utility may use to provide the required notice to customers.

DISCONNECTION NOTICE

Dear Customer:

The bill enclosed with this notice includes your current charge for water utility service and your previous unpaid balance.

You have 10 days to pay the water utility service arrears or your service is subject to disconnection.

If you fail to pay the service arrears or fail to contact us within the 10 days allowed to make reasonable deferred payment arrangement or other suitable arrangement, we will proceed with disconnection action.

To avoid the inconvenience of service interruption and an additional charge of (amount) for reconnection, we urge you to pay the full arrears IMMEDIATELY AT ONE OF OUR OFFICES.

If you have entered into a Deferred Payment Agreement with us and have failed to make the deferred payments you agreed to, your service will be subject to disconnection unless you pay the entire amount due within 10 days.

If you have a reason for delaying the payment, call us and explain the situation.

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**WATER UTILITY OPERATING RULES**

Disconnection and Refusal of Service (continued)

DISCONNECTION NOTICE (continued)

PLEASE CALL THIS TELEPHONE NUMBER, (telephone number), IMMEDIATELY IF:

1. You dispute the notice of delinquent account.
2. You have a question about your water utility service arrears.
3. You are unable to pay the full amount of the bill and are willing to enter into a deferred payment agreement with us.
4. There are any circumstances you think should be taken into consideration before service is discontinued.
5. Any resident is seriously ill.

Illness Provision: If there is an existing medical emergency in your home and you furnish the water utility with a statement signed by either a licensed Wisconsin physician or a public health official, we will delay disconnection of service up to 21 days. The statement must identify the medical emergency and specify the period of time during which disconnection will aggravate the existing emergency.

Deferred Payment Agreements: If you are a residential customer and, for some reason, you are unable to pay the full amount of the water utility service arrears on your bill, you may contact the water utility to discuss arrangements to pay the arrears over an extended period of time.

This time payment agreement will require:

1. Payment of a reasonable amount at the time the agreement is made.
2. Payment of the remainder of the outstanding balance in monthly installments over a reasonable length of time.
3. Payment of all future water utility service bills in full by the due date.

In any situation where you are unable to resolve billing disputes or disputes about the grounds for proposed disconnection through contacts with our water utility, you may make an appeal to the Public Service Commission of Wisconsin by calling (800) 225-7729.

(WATER UTILITY NAME)

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**WATER UTILITY OPERATING RULES**Collection of Overdue Bills

An amount owed by the customer may be levied as a tax as provided in Wis. Stat. § 66.0809.

Surreptitious Use of Water

When the water utility has reasonable evidence that a person is obtaining water, in whole or in part, by means of devices or methods used to stop or interfere with the proper metering of the water utility service being delivered, the water utility reserves the right to estimate and present immediately a bill for unmetered service as a result of such interference, and such bill shall be payable subject to a 24-hour disconnection of service. If the water utility disconnects the service for any such reason, the water utility will reconnect the service upon the following conditions:

- A. The customer will be required to deposit with the water utility an amount sufficient to guarantee the payment of the bills for water utility service.
- B. The customer will be required to pay the water utility for any and all damages to water utility equipment resulting from such interference with the metering.
- C. The customer must further agree to comply with reasonable requirements to protect the water utility against further losses.

See Wis. Stat. §§ 98.26 and 943.20.

Repairs to Mains

The water utility reserves the right to shut off the water supply in the mains temporarily to make repairs, alterations, or additions to the plant or system. When the circumstances will permit, the water utility will give notification, by newspaper publication or otherwise, of the discontinuance of the water supply. No credit will be allowed to customers for such temporary suspension of the water supply.

See Wis. Admin. Code § PSC 185.87.

Duty of Water Utility with Respect to Safety of the Public

It shall be the duty of the water utility to see that all open ditches for water mains, hydrants, and service laterals are properly guarded to prevent accident to any person or vehicle, and at night there shall be displayed proper signal lighting to insure the safety of the public.

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**WATER UTILITY OPERATING RULES**Handling Water Mains and Service Laterals in Excavation Trenches

Contractors must call Digger's Hotline and ensure a location is done to establish the existence and location of all water mains and service laterals as provided in Wis. Stat. § 182.0175. Where water mains or service laterals have been removed, cut, or damaged during trench excavation, the contractors must, at their own expense, cause them to be replaced or repaired at once. Contractors must not shut off the water service laterals to any customer for a period exceeding 6 hours.

Protective Devices

- A. Protective Devices in General: The owner or occupant of every premise receiving water supply shall apply and maintain suitable means of protection of the premise supply and all appliances against damage arising in any manner from the use of the water supply, variation of water pressure, or any interruption of water supply. Particularly, such owner or occupant must protect water-cooled compressors for refrigeration systems by means of high and/or low pressure safety cutout devices. There shall likewise be provided means for the prevention of the transmission of water ram or noise of operation of any valve or appliance through the piping of their own or adjacent premises.
- B. Relief Valves: On all "closed systems" (i.e., systems having a check valve, pressure regulator, reducing valve, water filter, or softener), an effective pressure relief valve shall be installed at or near the top of the hot water tank or at the hot water distribution pipe connection to the tank. No stop-valve shall be placed between the hot water tank and the relief valve or on the drain pipe. See applicable plumbing codes.
- C. Air Chambers: An air chamber or approved shock absorber shall be installed at the terminus of each riser, fixture branch, or hydraulic elevator main for the prevention of undue water hammer. The air chamber shall be sized in conformance with local plumbing codes. Where possible, the air chamber should be provided at its base with a valve for water drainage and replenishment of air.

Cross-Connections

Every person owning or occupying a premise receiving municipal water supply shall maintain such municipal water supply free from any connection, either of a direct or of an indirect nature, with a water supply from a foreign source or of any manner of connection with any fixture or appliance whereby water from a foreign supply or the waste from any fixture, appliance, or waste or soil pipe may flow or be siphoned or pumped into the piping of the municipal water system.

See Wis. Admin. Code § NR 811.09.

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EFFECTIVE:

PSCW AUTHORIZATION: